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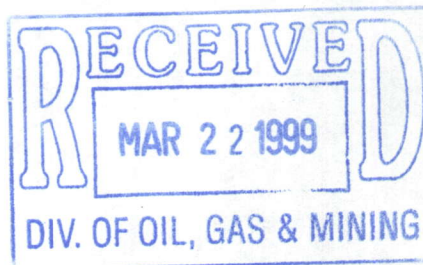
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CERTIFIED MAIL P 443 670 511
RETURN RECEIPT REQUESTED

Mr. Robert Holladay
Clifton Mining Company
70 West Canyon Crest Road, Suite D
Alpine, UT 84004



Dear Mr. Holladay:

On October 20, 1997, we received information from you in support of Clifton Mining Company's (CMC) Plan of Operations for milling at the Cactus Millsite in T. 7 S., R. 18 W., Section 35. At that time, we requested that you provide a description of the methods, including the sequence and timing, that will be used to complete the final reclamation of the land disturbed by your proposed milling operation.

We cannot consider your Plan of Operations for milling at the Cactus Millsite to be complete until we receive the following:

1. An original copy of the Professional Engineer's (PE) certification of reclamation costs.
2. At "Item #1," there was no discussion nor estimate of the costs associated with ripping and re-seeding the disturbed area beneath the mill building. In addition, a level pad has been constructed during the erection of the building. The costs associated with pushing excavated material back over this area and replicating the natural slope need to be included.
3. At "Item #2," what is the final slope of the tailings piles? A discussion and breakdown of the additional costs associated with recontouring these areas so that they blend into the natural topography is required.
4. At "Items #3, 5, and 6," where will the concrete foundations be buried? Please provide a map of the site. You also need to provide an estimate of the additional costs associated with re-sloping and re-seeding the concrete burial site.

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5. At "Item #8," there is no discussion of reclamation, or an estimate of the costs associated with ripping and re-seeding the "common areas" between specific reclamation sites. Also, there is no discussion of ripping and re-seeding the access roads across the area. Please be advised that any pre-existing roads or road networks that American Consolidated has improved during the course of operations will have to be included in the reclamation cost breakdown.
6. There is no discussion of the costs associated with removing the crusher, and recontouring and re-seeding this area. Please provide this estimate.
7. A reclamation bond, as described in our letter of September 15, 1997.

Please provide the requested information within 30 days of receipt of this letter, or we will consider your Plan of Operations to be withdrawn, and will expect the site to be reclaimed to the standards described at 43 CFR 3809.

If you have any questions, or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Sincerely,

/s/ Margaret Wyatt

Area Manager

cc: D. Wayne Hedberg, UDOGM